

# IS FATF'S WARNING TO PAKISTAN ENOUGH?

Relevant for: International Relations | Topic: FATF

There has been much talk in recent days of Pakistan facing the possibility of being downgraded from the “grey list” to the “black list” of the Financial Action Task Force (FATF) but it is not common for a country to be included in the Paris-based multilateral watchdog’s list with harsher financial sanctions and countermeasures. For almost a decade, the only two countries that have consistently figured in FATF’s “public statement”, as the black list is officially known, are Iran and North Korea. A country is placed in the black list when FATF’s members conclude it is being “non-cooperative” in countering money laundering and terrorist financing.

FATF’s latest plenary meeting came to the conclusion Pakistan had failed to meet two consecutive targets for curbing terrorist financing and warned of the “next step” if it fails to make sufficient progress by October. However, China, Turkey, Malaysia, Saudi Arabia and the Gulf Cooperation Council all asked for Pakistan to be given more time to implement an action plan finalised by FATF. China, which describes itself as Pakistan’s “iron brother ally” is set to assume the presidency of FATF next month, and it remains to be seen if it will be as hard-nosed as the US, the outgoing chair, in getting Pakistan to comply with the action plan.

Members of FATF must now focus on getting Pakistan to deliver on its action plan instead of taking cosmetic steps such as banning groups already proscribed by the United Nations or passing laws to bring domestic systems in line with international obligations. Pakistan must be asked to meet its commitments to FATF to choke funding to terror groups instead of complaining that other countries are politicising the watchdog’s processes. In short, Pakistan must be told that nothing short of demonstrating an irreversible commitment to ending the use of terror as an instrument of state policy will do.

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